

AMENDED IN SENATE APRIL 30, 2002

**SENATE BILL**

**No. 1701**

**Introduced by Senator Peace**

February 21, 2002

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An act to ~~add Section 30162.1 to~~ *amend, repeal, and add Section 30162 of the Revenue and Taxation Code*, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1701, as amended, Peace. Tobacco taxes: tax stamps.

The Cigarette and Tobacco Products Tax Law requires that an appropriate stamp be affixed to, or that an appropriate meter impression be made upon, each package of cigarettes prior to distribution.

This bill would, ~~on or before as of~~ January 1, 2005, require the State Board of Equalization to replace the stamps and meter impressions, currently required to be affixed to tobacco products, with a ~~2-D bar code stamp or meter impression~~ that can be read ~~with existing~~ *by a scanning device or similar device, and encrypted with specified information*.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 ~~SECTION 1.—Section 30162.1 is added to the Revenue and~~
- 2 ~~Taxation Code, to read:~~
- 3 ~~30162.1.—On or before January 1, 2005, the board shall replace~~
- 4 ~~the stamps and meter impressions, currently required to be affixed~~
- 5 ~~to tobacco products prior to distribution as evidence of payment~~
- 6 ~~of the tax imposed under this part, with a 2-D bar code stamp that~~

1 ~~can be read with existing scanning devices and is capable of~~  
2 ~~recording and storing the following information:~~

3 ~~(a) The name and address of the wholesaler or distributor~~  
4 ~~affixing the 2-D bar code.~~

5 ~~(b) The date the 2-D bar code stamp was affixed.~~

6 ~~(c) The amount of tax represented by the 2-D bar code stamp.~~

7 *SECTION 1. Section 30162 of the Revenue and Taxation Code*  
8 *is amended to read:*

9 30162. (a) Stamps and meter impressions shall be of ~~such~~ *the*  
10 designs, specifications and denominations as may be prescribed by  
11 the board. The board shall prescribe by regulation the method and  
12 manner in which stamps or meter impressions are to be affixed to  
13 packages of cigarettes and may provide for the cancellation of  
14 stamps or meter impressions.

15 (b) *This section shall remain in effect until January 1, 2005,*  
16 *and as of that date is repealed.*

17 *SEC. 2. Section 30162 is added to the Revenue and Taxation*  
18 *Code, to read:*

19 30162. (a) Stamps and meter impressions shall be of the  
20 designs, specifications, and denominations as may be prescribed  
21 by the board. Stamps and meter impressions shall be generated by  
22 a technology capable of being read by a scanning or similar device  
23 and shall be encrypted with, at a minimum, the following  
24 information:

25 (1) *The name and address of the distributor affixing the stamp*  
26 *or meter impression.*

27 (2) *The date the stamp or meter impression was affixed.*

28 (3) *The denominated value of the stamp or meter impression.*

29 (b) *The board shall prescribe by regulation the method and*  
30 *manner in which stamps or meter impressions are to be affixed to*  
31 *packages of cigarettes and may provide for the cancellation of*  
32 *stamps or meter impressions.*

33 (c) *This section shall become operative on January 1, 2005.*